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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
EXMAR SHIPPING N.V.,

Plaintiff,

-against-

POLAR SHIPPING S.A. and
POLAR SHIPPING CO., LTD.,

Defendants.

-----x
06 CIV 12991 (HB)

**ANSWER TO COUNTER-CLAIM
OF DEFENDANTS POLAR
SHIPPING S.A. AND POLAR
SHIPPING CO. LTD.**

Plaintiff, EXMAR SHIPPING N.V., herein by its attorneys Freehill Hogan & Mahar, LLP, as and for its Answer to the Counter-Claim of Defendants POLAR SHIPPING S.A. and POLAR SHIPPING CO. LTD., alleges upon information and belief as follows:

1. Admits the allegations contained in Paragraph 12 of the Counter-Claim.
2. Denies the allegations contained in Paragraph 13 of the Counter-Claim.
3. Admits that Exmar had attached funds as security for speed claims, a cargo claim relating to the M/V POLAR ENDURANCE plus interest, and attorney fees and costs, but except as so admitted, denies the remaining allegations contained in Paragraph 14 of the Counter-Claim.
4. Denies the allegations contained in Paragraph 15 of the Counter-Claim.
5. Denies the allegations contained in Paragraph 16 of the Counter-Claim.

6. Admits the allegations contained in Paragraph 17 of the Counter-Claim.
7. Denies the allegations contained in Paragraph 18 of the Counter-Claim.

FIRST AFFIRMATIVE DEFENSES

8. The Counter-Claim fails to state a cause of action against the Plaintiff upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

9. The Counter-Claim must be stayed or dismissed under 9 U.S.C. §1, *et seq.* and §§201, *et seq.* in favor of the London arbitrations provisions set forth in the charter parties.

THIRD AFFIRMATIVE DEFENSE

10. If the Defendants suffered any loss or damage as alleged, which is denied, it was caused by and contributed to by an act or omission of the Defendants and/or other parties and not by Plaintiff.

FOURTH AFFIRMATIVE DEFENSE

11. Defendants have failed to properly mitigate its alleged damages.

FIFTH AFFIRMATIVE DEFENSE

12. Defendants' request for counter-security on their Counter-Claim should be denied because Defendants never served any claim submission in the London Arbitration for this alleged Counter-Claim nor have they submitted to Plaintiff damage supports.

WHEREFORE, Plaintiff EXMAR SHIPPING N.V. respectfully prays that an Order be entered dismissing the Counter-Claim of the Defendants or staying the Counter-Claim for London Arbitration or for such other relief as may be fair and equitable.

DATED: New York, New York
 March 26, 2008

FREEHILL HOGAN & MAHAR, LLP
Attorneys for EXMAR SHIPPING N.V.

BY:



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